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REVIEW OF THE ORGANIZATIONAL STRUCTURE OF UNFPA

Report of the Executive Director

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* The compilation of data required to present the Executive Board with the most current information has delayed submission of the present document.

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I. SUMMARY

1. This report presents the proposed UNFPA organizational structure. The structure seeks to strengthen UNFPA country offices and support the strategic vision, goals and outcomes of UNFPA, in order to help countries achieve the goals of the International Conference on Population and Development (ICPD) and the Millennium Development Goals. The objective of the new organizational structure is to ensure a strategic, timely, integrated and efficient response to the needs of programme countries and of UNFPA country offices, and to strengthen the ability of UNFPA to produce results in an effective and efficient manner.

2. National capacity development is a key component of the proposed structure, which will support national ownership and country-led development. This is essential to the changing aid environment and to United Nations reform efforts, as articulated in General Assembly resolution 59/250 on the triennial comprehensive policy review of operational activities for development of the United Nations system and in the Paris Declaration on Aid Effectiveness.

3. UNFPA followed a comprehensive and consultative approach to define its strategic goals, outcomes and outputs; to assess its strengths and weaknesses; and to formulate three scenarios for the proposed organizational structure. At its annual session 2007, the Executive Board took an oral decision authorizing UNFPA to prepare its biennial support budget, 2008-2009, on the basis of scenario 3, with formal adoption of the decision to be taken at the second regular session 2007.

4. Scenario 3 calls for the relocation of the UNFPA geographical divisions to the regions, merged with streamlined country technical services teams. This scenario best meets UNFPA needs in terms of effectiveness and efficiency and entails a greater shift of resources from the headquarters level to the country level. UNFPA chose the locations for the regional offices in consultation with other United Nations Development Group (UNDG) Executive Committee agencies, as a collective response to the triennial comprehensive policy review recommendations on co-location and regional alignment.

5. This document takes into account the recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions on the review of the organizational structure of UNFPA (AC/1623), as well as the comments made by members of the Executive Board at the annual session 2007.

II. INTRODUCTION

6. The UNFPA strategic plan, 2008-2011, provides an overall framework to make UNFPA more effective and efficient by focusing on results to attain the ICPD goals and the Millennium Development Goals. Identifying the most appropriate organizational structure to support the achievement of UNFPA strategic goals and outcomes is crucial to operationalizing the strategic plan at global, regional and country levels and to providing high-quality support to country operations.

7. The process UNFPA followed to identify the most suitable organizational structure is summarized below:

(a) Step 1: Definition of UNFPA strategic goals, outcomes, outputs and key functions;

(b) Step 2: Assessment of the strengths and weaknesses of the current organizational structure at all levels – the global level, the regional level and the country level;

(c) Step 3: Formulation and assessment of alternative organizational structure scenarios based on set criteria;

(d) Step 4: Selection and finalization of the most suitable organizational structure.

III. KEY FUNCTIONS THAT SUPPORT UNFPA GOALS AND OUTCOMES

8. For the period 2008 to 2011, UNFPA has proposed three interconnected strategic goals in the following focus areas: population and development; reproductive health and rights; and gender equality.

9. The UNFPA strategic direction, as highlighted in the strategic plan, 2008-2011 (DP/FPA/2007/17), focuses on: (a) national ownership; (b) capacity development; (c) advocacy and multisectoral partnerships to position the ICPD agenda in national development efforts; (d) results-based management; (e) United Nations reform; (f) knowledge management; (g) increasing financial resources for population and reproductive health programming; and (h) strengthening the internal capacity of UNFPA. Responding to the strategic direction, the UNFPA strategic plan includes three interlinked frameworks: (a) the development results framework; (b) the management results framework; and (c) the integrated financial resources framework.

10. These frameworks are, in turn, linked to other frameworks and programmes, such as the country, regional and global programmes and the UNFPA resource allocation system. UNFPA will operationalize its strategic plan through the country programmes and through the global and regional programmes. UNFPA and the programme countries in which it works will progressively design all new country programmes to achieve national priorities as they relate to the goals and outcomes of the strategic plan. The outputs of the global and the regional programme are structured around the three strategic goals and their respective outcomes in the strategic plan. The outputs are designed to complement each other and to support country programmes.

11. In order to effectively implement the outputs of the proposed global and regional programme, UNFPA has to perform key functions, which are summarized below:

(a) National capacity development, focusing on systems and institutional development for governments and civil society organizations. UNFPA will give special attention to regional intergovernmental organizations and ICPD-related regional institutions through strengthened intraregional, interregional and South-South cooperation, with a view to achieving national self-reliance;

(b) Prompt and effective support to requests from UNFPA country offices and United Nations country teams to provide multidisciplinary technical and programmatic support;

(c) Positioning ICPD at global, regional and country levels, through advocacy and policy dialogue, to increase understanding of population, reproductive health and gender equality issues and their linkages to sustainable development and to poverty reduction;

(d) Developing multisectoral and strategic partnerships to strengthen the position of the ICPD agenda in international, regional and national agencies, as well as in non-governmental organizations, civil society organizations, the private sector and United Nations partner organizations;

(e) United Nations system collaboration to provide coordinated, coherent and efficient multisectoral support to United Nations country teams on United Nations reform issues, including the United Nations Development Assistance Frameworks (UNDAFs), joint programming and programmes in the context of the triennial comprehensive policy review of operational activities for development of the United Nations system;

(f) Knowledge management, including sharing knowledge across the various levels of UNFPA – from the global level to regional and country levels and vice versa – for effective programming, advocacy and policy dialogue, and to ensure that local perspectives are incorporated in policy analysis;

(g) Results-based management in planning, quality control, monitoring and evaluation, and oversight, to ensure accountability and the achievement of results.

IV. ASSESSMENT OF THE CURRENT ORGANIZATIONAL STRUCTURE

12. UNFPA assessed its current organizational structure to identify, at each organizational level, strengths and weaknesses in relation to the above-mentioned functions. Familiarity with the current UNFPA organizational structure will enable Executive Board members to better understand the strategic and operational challenges that UNFPA faces. The current organizational structure consists of a New York headquarters office with nine divisions; nine country technical services teams located in the regions; and 112 country offices.

13. UNFPA headquarters is responsible for: (a) determining the strategic direction and priorities of UNFPA; (b) providing policy guidance in all areas in which UNFPA operates; (c) ensuring overall accountability for results; and (d) overseeing resources.

14. The Technical Support Division at headquarters sets the strategic direction on substantive issues. It establishes technical priorities and formulates policies by: (a) analysing emerging needs and trends; (b) monitoring and reviewing state-of-the-art developments through collaboration with networks of academic, training and research institutions; and (c) translating these policies into guidelines for UNFPA programmes.

15. Four geographical divisions – Africa; Arab States, Europe and Central Asia; Asia and the Pacific; and Latin America and the Caribbean – provide programmatic support to country offices in their respective regions, including developing country programmes; providing day-to-day assistance on programme implementation; monitoring programme progress; undertaking oversight functions; supporting policy dialogue; and ensuring cooperation with regional entities. Geographical division directors are responsible for the geographical divisions. The directors work as part of the regional directors' teams within the UNDG Executive Committee.

16. The Division for Human Resources and the Division for Management Services at headquarters are responsible for human resources and management functions, including finance, procurement, facilities management, and information and communications technology. Both divisions determine policies and develop guidelines for UNFPA in these areas and provide support for their implementation.

17. The Information, Executive Board and Resource Mobilization Division is responsible for global advocacy, external relations, the coordination of United Nations reform issues and resource mobilization. The Division has five liaison offices (in Brussels, Belgium; Copenhagen, Denmark; Geneva, Switzerland;

Tokyo, Japan; and Washington, DC, USA) that complement and support UNFPA work in advocacy for ICPD, external relations, and donor relations at country, regional and global levels. A liaison office in Addis Ababa, Ethiopia provides support to and builds strategic partnerships with the African Union. The office coordinates efforts with headquarters and UNFPA country technical services teams in Africa, as well as with the Economic Commission for Africa. The liaison office, which reports to the director of the Africa Division, supports the African Union in developing capacity in ICPD-related matters.

18. Other offices in New York headquarters include the Strategic Planning Office, which is responsible for strategic planning, global environmental scanning and knowledge management; the Humanitarian Response Unit, which provides assistance to country offices and geographical divisions on humanitarian issues; and the Security Unit, which is responsible for providing security-related support to UNFPA country offices, country technical services teams, and headquarters. The Division for Oversight Services is responsible for accountability and risk management, and provides the Executive Director and the Executive Board with independent and objective assurance regarding the efficiency and effectiveness of UNFPA operations. The Office of the Executive Director leads and manages UNFPA.

19. Nine country technical services teams, composed of senior technical advisers who report to team directors, are located in the regions. The teams provide technical assistance to country offices in developing and managing country programmes and provide technical support to the geographical divisions for implementing regional programmes. The work plan of each team is largely determined by the demands of the country offices that the team services. The work of the country technical services teams has been progressively oriented towards strengthening the capacity of programme countries in policy dialogue, policy development and national development processes. Although the teams are located in the regions, the geographical division directors at headquarters manage and direct the teams, which are linked technically to the Technical Support Division. This has resulted in the fragmentation of technical and programmatic support.

20. The 112 UNFPA country offices are responsible for strengthening country capacity and leadership in implementing the ICPD Programme of Action within the context of their national development efforts and the Millennium Development Goals. The offices engage in policy dialogue, provide technical assistance, and forge strategic partnerships with governments, civil society and national institutions, including local and indigenous communities and the private sector. The country offices ensure that the ICPD agenda is an integral part of national and sectoral development frameworks and strategies.

21. The country offices develop country programmes under the leadership of national governments, and they manage the implementation of the country programmes as part of the United Nations country team. They assist programme countries in achieving their development goals and support them in developing the capacity to enable them to do so. The country offices are accountable for efficient and effective use of UNFPA resources in support of programme countries. UNFPA representatives report to the geographical division directors. UNFPA representatives have decentralized authority and are responsible for country programme development and management; office management, including human resources and budgets; resource mobilization at the local level; effective utilization of UNFPA resources; and representation of UNFPA at the country level.

22. UNFPA conducted several evaluations and reviews of its current organizational structure, undertaken internally and by external experts. These evaluations and reviews assessed the organizational structure and roles against the key functions required to support the achievement of UNFPA strategic goals

and outcomes, implemented through the outputs of the country, regional and global programmes. This analysis highlighted strengths and weaknesses at each level.

23. The strengths of UNFPA at the global level include the following:

(a) UNFPA places strong emphasis on capacity development to achieve the ICPD goals; engages in ongoing and informed dialogue with Member States; and mainstreams ICPD in various intergovernmental processes.
(b) Global agenda-setting is strong and the ICPD is safeguarded through global partnerships.
(c) UNFPA has strengthened accountability for managerial, programmatic and technical functions. The Division for Oversight Services, which reports to the Executive Director, ensures independent oversight of UNFPA activities.
(d) Regular meetings of the Executive Committee of UNFPA ensure ongoing dialogue and the sharing of information among senior managers.

24. UNFPA strengths at the regional level include the following:

(a) Greater participation in the UNDG regional directors' team discussions and more coordinated support to United Nations country teams.
(b) Although still inadequate, UNFPA has improved its ability to position ICPD on the agenda of regional and subregional political and financial institutions.
(c) The country technical services teams have developed a multidisciplinary approach to provide technical assistance to UNFPA country offices.

25. UNFPA strengths at the country level include the following:

(a) UNFPA serves 140 countries through its 112 country offices. UNFPA presence varies according to the category and needs of the country.
(b) The long-term UNFPA presence in countries has enabled it to build and maintain strong relationships with relevant national stakeholders and to align its programmes to national planning cycles.
(c) UNFPA has emphasized capacity development in helping countries to achieve the ICPD goals.
(d) A new country office typology that UNFPA implemented in 2004-2005 has improved the staffing strength and skills mix to better suit country contexts.
(e) The establishment of operations manager posts in 44 country offices has strengthened capacity in operations, financial management and accountability in programme delivery.
(f) UNFPA country offices have frequently sought the services of country technical services team advisers to build the capacity of United Nations country teams in joint programming processes, within the framework of United Nations reform.

26. UNFPA faces challenges in terms of the weaknesses identified at global, regional and country levels. At the global level, these weaknesses include the following:

(a) The programmatic and management needs of country offices are addressed from headquarters, which limits the possibility for direct interaction and real-time response on relevant issues.
(b) Because regional programmes are managed from headquarters rather than the field, UNFPA may miss opportunities to: (i) monitor emerging regional issues that have impacts on countries and that

have intraregional linkages; and (ii) understand local perspectives that are linked with local culture and practices.

(c) The amount of travel necessary for the geographical division directors to be involved in activities at the regional level has become difficult to sustain – from a human, professional and managerial point of view.

(d) The limited capacity of the geographical divisions hampers the quality and timeliness of support to country offices and the effective oversight and monitoring of country programmes and country offices.

27. Weaknesses identified at the regional level include the following:

(a) Insufficient capacity to manage and sustain networks of experts and institutions to: (i) ensure their familiarity and ownership of ICPD issues; and (ii) give UNFPA a better understanding of local conditions and issues.

(b) Geographical non-alignment with that of other UNDG Executive Committee agencies limits the possibility of UNFPA to work closely and regularly with other United Nations organizations in developing coordinated and coherent support to United Nations country teams.

(c) UNFPA regional directors miss the regular interaction among the members of the regional directors' team who are located in the same regional hub.

(d) A limited UNFPA presence hinders opportunities to address development challenges on a regional or subregional basis and to leverage regional resources to advance the ICPD agenda regionally and at the country level.

(e) UNFPA country technical services teams are unable to ensure that their substantive and technical inputs are integrated into programme development and management since they report to their team directors, while the UNFPA representatives report to the geographical division directors. This results in the fragmentation of technical and programmatic inputs.

(f) There is no systematic use of local, national and regional technical expertise in providing technical support to countries.

28. Weaknesses identified at the country level include the following:

(a) Country-office capacity is not proportionate in strength and in skills mix to the needs and complexities of country situations, especially in the rapidly changing aid environment and in the context of United Nations reform. This limits the ability of UNFPA to: (i) contribute to national capacity development; and (ii) work regularly and effectively within United Nations country teams, to ensure that population, gender and reproductive health issues are strategically and systematically incorporated in UNDAFs and joint programming.

(b) The skills set at the country level is not adequate to ensure effective programming; it must be further developed.

(c) Face-to-face discussions among country office staff, country technical services team advisers and programme staff on critical development issues do not occur often enough or are not systematic, partly due to the dispersed locations of staff and the fragmentation of technical and programmatic support to country offices.

29. UNFPA must equip itself with an organizational structure that capitalizes on its strengths, addresses its weaknesses, and provides – regardless of the size and the financial limitations of UNFPA – the most effective support to programme countries, through more effective programme implementation and linkages between country, regional and global programmes.

V. ENVISIONED ORGANIZATIONAL STRUCTURE

Directly strengthened country offices

30. UNFPA continues to place priority on strengthening capacity at the country level to support country-led development. UNFPA has strengthened its country offices and has performed effectively in some countries. In other countries, however, performance has not been optimal. In such countries, UNFPA operates without the critical mass of staff needed to fully support country-led development. The audit and oversight reports and external reviews have concluded that UNFPA country-office capacity is inadequate, particularly in light of the complexity and sensitivity of the UNFPA mandate and labour-intensive, complex United Nations reform efforts.

31. As reflected in the strategic plan, strengthening country offices will continue to be a strategic priority for UNFPA. UNFPA will seek to ensure that: (a) the capacity of country offices matches the complexity of country contexts for effective programme delivery; and (b) that the capacity of country offices is appropriate to support the new aid environment and United Nations reform efforts, particularly for those countries that: (i) have embarked on national development processes and initiatives such as poverty-reduction strategies, sector-wide approaches and the government-led "delivering as one" pilots; (ii) have experienced or are recovering from crises, conflicts or natural disasters; or (iii) are decentralizing from central to district and local levels.

32. UNFPA will continue to use several modalities to strengthen the internal capacity of its country offices, which cannot be achieved merely by increasing the number of staff. Efforts will include: (a) improving the quality of human resources in country offices; (b) increasing the number of staff in country offices, as needed; (c) developing a coherent and integrated technical assistance and programme support strategy to build sustainable technical capacity; and (d) working closely with other United Nations organizations to facilitate collaboration among technical advisers to better support country offices.

33. UNFPA will continue to provide training for key field staff to build functional competencies in areas such as advocacy, policy dialogue, the development of strategic alliances and managing institutional networks. UNFPA will also develop staff profile reviews and recruit new staff to ensure that country offices have the required skill mix for effective programming. It will continue to train and improve the knowledge and skills of locally recruited staff on operational procedures and substantive issues, including opportunities to go on detail to and participate in effective and well-managed country offices.

34. UNFPA will seek to enhance the quality of its international staff at the country level by upgrading selected country representative and deputy representative posts and by ensuring that these staff possess the required competencies and skills. This will also enable UNFPA senior staff in country offices to have the requisite competencies and authority to participate in negotiations within United Nations country teams and in discussions with the government and other stakeholders. UNFPA will upgrade selected posts based on the job classification standards of the International Civil Service Commission and will create posts for international operations managers in selected countries, in order to ensure accountability.

35. UNFPA will systematize its efforts to: (a) build national capacity through the increased use of national and regional institutions that are able to provide technical support to countries; and (b) foster South-South cooperation.

Overall structure in support of country offices

36. In order to directly strengthen country offices, UNFPA presented three scenarios to the Executive Board at its annual session 2007. Taking into account the review and assessment of all three scenarios by the Advisory Committee on Administrative and Budgetary Questions, the Executive Board decided that scenario 3 was the most suitable for UNFPA.

37. Under scenario 1, UNFPA headquarters would undergo limited changes. The geographical divisions would remain at New York headquarters. To better align regional coverage, the Division for Arab States, Europe and Central Asia would be divided into two divisions: one for the Arab States and the other for Eastern Europe and Central Asia. The Division for Human Resources, which currently reports to the Executive Director, would be under the supervision of the Deputy Executive Director for External Relations, United Nations Affairs and Management. The nine country technical services teams would continue to provide technical support to country offices.

38. Scenario 2 entailed the relocation of the geographical divisions to the regions. Under this scenario, the geographical divisions would merge with the existing country technical services teams, with some expanded staffing. Other changes are similar to those in scenario 3, described below. The difference between scenarios 2 and 3 is that scenario 3 incorporates streamlined regional offices where UNFPA would maintain a minimum, core technical staff to ensure strengthened capacity at the country level.

39. Scenario 3 entails the relocation of the geographical divisions to the regions, merged with streamlined country technical services teams. A detailed description of this scenario is contained in paragraphs 40 to 48.

40. In order to further strengthen country offices, UNFPA seeks to relocate its geographical divisions to the field, merge them with streamlined country technical services teams, and form regional offices where both technical and programmatic functions are integrated. The regional offices will ensure quality control of operational activities of the country offices and the subregional offices. UNFPA is considering the following locations for the regional offices, based on existing regional hubs, feasibility studies and consultations with the other UNDG Executive Committee agencies: Almaty, Kazakhstan (for Eastern Europe and Central Asia); Bangkok, Thailand (for Asia and the Pacific); Cairo, Egypt (for the Arab States); Johannesburg, South Africa (for Africa); and Panama City, Panama (for Latin America and the Caribbean).

41. The geographical division directors, whose titles will be changed to that of regional directors, will lead and supervise the regional offices. They will maintain the same level of authority they have at headquarters, thus avoiding the creation of an additional layer of authority. UNFPA will also align its regional coverage of countries with other UNDG Executive Committee agencies.

42. UNFPA will expand the functions of four country offices (Dakar, Senegal; Kathmandu, Nepal; Kingston, Jamaica; and Suva, Fiji) to serve as subregional offices that will integrate programmatic and technical assistance to clusters of countries. The directors of the subregional offices will also be the UNFPA representatives in the respective host countries and will report to the regional directors. UNFPA will appoint a senior staff member (at the P5 level) as deputy director of the subregional office. The deputy director of the subregional office will manage day-to-day programme operations in the host country. UNFPA will expand the functions of the regional office in Johannesburg, South Africa to include a

subregional office for Eastern and Southern Africa. The UNFPA country office for South Africa will remain in Pretoria, South Africa.

43. UNFPA will create a programme division in headquarters, similar to that of other United Nations organizations. The division will ensure that UNFPA is well positioned on strategic and programmatic issues and will develop, monitor and report on the implementation of the UNPFA strategic plan. It will be responsible for planning, environmental scanning, knowledge management and humanitarian response, and will ensure that UNFPA planning and programme activities address humanitarian and conflict situations. The division will: (a) provide support to regional directors and serve as a liaison between the regional offices and headquarters; (b) support senior managers on issues related to United Nations reform; and (c) maintain connections between the regional directors and the permanent missions of Member States and the United Nations system in New York.

44. The UNFPA Technical Division will continue to guide UNFPA work on substantive issues; provide state-of-the-art knowledge through its network of institutions; facilitate the sharing of knowledge on substantive issues in all levels of the organization; and develop tools that can be used to ensure the coherence and quality of technical inputs.

45. The Programme Division and the Technical Division will perform complementary but distinct functions that contribute to the strategic positioning of UNFPA and that provide support to country offices. UNFPA is currently developing detailed and comprehensive terms of reference for each division and organizational unit.

46. The current Division for Arab States, Europe and Central Asia will be divided into two divisions – one for the Arab States and the other for Eastern Europe and Central Asia.

47. The Division for Human Resources will be placed under the supervision of the Deputy Executive Director for External Relations, United Nations Affairs and Management.

48. At the country level, UNFPA will maximize opportunities to share common services within the United Nations system, including common premises and administrative and financial services.

VI. ASSESSMENT OF THE ENVISIONED ORGANIZATIONAL STRUCTURE

49. UNFPA used the following criteria to assess the three scenarios:

(a) UNFPA capacity to respond to the challenges of the new aid environment;
(b) Capacity of country offices to deliver programmatic and management results efficiently and effectively;
(c) Achievement of the outputs of the country, regional and global programmes, through effective programmatic and technical assistance;
(d) Contribution to advancing the triennial comprehensive policy review of operational activities for development of the United Nations system in support of United Nations reform;
(e) Effective oversight and accountability, and efficient and transparent use of resources;
(f) Financial implications.

50. Of the three proposed organizational structures, scenario 3 will enable UNFPA to shift the most resources to the country level. This scenario addresses the critical issue of institutional capacity development to enable greater ownership and leadership of country programme interventions. Scenario 3 is

aligned with the recommendations of the 2004 triennial comprehensive policy review of operational activities for development of the United Nations system regarding co-location, the alignment of regional coverage and greater attention to the regional dimension of development.

51. The shift of resources to the country level will enable UNFPA to add more posts at the country level and/or channel resources for country programme activities. The envisioned scenario will redeploy programme funds to the country level. These funds will enable UNFPA to provide additional technical staff at the country level on an ad-hoc and time-bound basis, to assist with country office development and programming.

52. Strengthening the UNFPA position at the regional level will have a direct impact on strengthening country offices. Not only will direct interaction and real-time response on relevant issues increase, it will permit UNFPA to forge strategic partnerships and to work more closely with regional and subregional political, economic and financial institutions and deliver high-quality programme interventions that are responsive to country needs.

53. Based on a set of criteria, UNFPA will strengthen selected country offices in line with efforts to fill current organizational structure gaps to ensure that UNFPA is a field-focused organization. It will address operational deficiencies at the country level, ensuring that staff profiles and competencies match the requirements of countries and improve programme delivery.

54. As the new aid modalities and United Nations reform measures increase the complexity of country situations and place increased demands on country office staff, the necessary skill mix will include leadership, results-based management, strategic thinking, advocacy, policy analysis, knowledge sharing, learning, support to South-South cooperation, and the management of institutional networks. This will enable UNFPA staff to advocate a policy-oriented agenda; implement results-based programme development and management; and build partnerships and strategic alliances. UNFPA has developed learning programmes to ensure that country office staff possess the necessary skill mix for active involvement in United Nations reform processes.

55. The direct strengthening of country offices will enable UNFPA to have more effective, efficient and substantive interactions with national stakeholders for effective capacity development, inter-agency collaboration and programming, and greater mainstreaming of ICPD in support of the Millennium Development Goals.

56. UNFPA will strengthen its country offices by relocating its geographical divisions to the regions and merging them with streamlined country technical services teams, thereby consolidating programmatic and technical functions in the same structure and creating a 'one-stop shop' for integrated technical and programmatic support to United Nations country teams and country offices.

57. UNFPA will maintain a critical, core technical capacity to ensure a multidisciplinary approach in the regional offices. A portion of resources, currently used to fund country technical services team advisers, will be available to strengthen UNFPA-funded programme activities in selected country offices. UNFPA will strengthen technical capacity at the country level and make extensive use of South-South cooperation to build capacity in policy analysis, strategic planning and managing for results in national and regional institutions.

58. The establishment of a programme division will facilitate programmatic coherence across regions and link development and humanitarian programme interventions as well as global and regional interventions. This will permit greater synergies among the programmes and better coordination of programme activities. It will also ensure that feedback mechanisms are in place and that staff are up-to-date on national, regional and global developments, allowing UNFPA to speak with one voice on programmatic matters.

59. The separation of the current division for Arab States, Europe and Central Asia into two divisions (one for the Arab States and the other for Eastern Europe and Central Asia) will ensure that UNFPA is able to address the specific programme needs of these distinct regions. It will also enable UNFPA to align its regional coverage with that of the other UNDG Executive Committee agencies.

60. Scenario 3 represents a different approach to technical assistance in that it recognizes that the scope and range of technical support required from UNFPA is far greater than UNFPA can provide from its own resources. UNFPA will therefore seek to develop high-quality global, regional and national technical networks for use by programme countries. UNFPA will make use of and participate in the integrated, inter-agency technical resources network available through the regional directors' teams. It will expand its collaboration with other United Nations system partners to draw on their technical expertise and work in inter-agency teams.

61. This approach will support country offices and address several of the weaknesses of the current organizational structure as indicated in the following paragraphs.

Capacity development at the country level

62. Institutional capacity development requires both technical and programmatic support. The country technical services teams provide support on substantive issues to country offices, national stakeholders and regional institutions. However, in the current organizational structure, the geographical divisions provide programme support. Having these functions in different units and different geographical settings makes capacity development more difficult to achieve. Bringing these two functions together will enhance UNFPA capacity to: (a) leverage resources and contribute to the growth of regional and national networks of institutions, experts and think tanks; and (b) build national capacity in a sustainable manner.

63. The increased utilization of local expertise to perform technical functions that are ICPD-specific and directly linked to country programmes will enable UNFPA and regional and national experts to share knowledge and experiences. It will ensure that ICPD and the UNFPA mandate are integrated into local and regional institutions. It will create ownership of the ICPD agenda beyond the global level, to subregional and regional institutions, thus creating another level of support.

64. A strong regional team will offer more opportunities to train country office staff and will provide increased opportunities for knowledge sharing and the dissemination of lessons learned. South-South exchanges between and among programme countries will serve to mobilize both technical and financial resources.

More effective technical support to country offices

65. The geographical and functional integration of technical and programme support to country offices is expected to result in increased effectiveness. The integration of programmatic and technical functions

within the same office, under the responsibility of the same director, will ensure clear operational linkages between programmatic and technical functions.

66. The integrated programmatic and technical support that UNFPA will provide, including through the use of knowledge networks in the region, will be an essential component of work at the country level. It will seek to build national capacity to allow countries to take charge of their own development. The support will constitute an essential, high-quality input into national processes and country programme implementation, particularly in the areas of policy analysis, planning, and monitoring and evaluation. When a country embarks on a national development process such as a sector-wide approach, the regional office will be able to provide comprehensive, multidisciplinary integrated support to complement the work of national experts.

Prompt and more effective response to country office needs

67. The geographical proximity of the regional offices to the country offices will allow better exposure to and understanding of local contexts, thus providing a realistic picture for analyses and policy debates. At the same time, the regional perspective, in addition to the country-based approach, will enable UNFPA to address transboundary issues. The geographical proximity will also permit improved monitoring, oversight and quality control of country programmes. It will enable UNFPA to respond quickly and have more frequent face-to-face discussions with country offices. This will ensure that country office needs are addressed more rapidly and effectively.

Strengthened advocacy at the regional level to ensure that the ICPD Programme of Action is integrated into national development agendas

68. Relocating more senior level staff to the regions will facilitate advocacy with regional bodies. Working with regional bodies is key to ensuring that the ICPD Programme of Action is integrated into regional joint policy statements, strategies and plans. This provides additional support for the inclusion of ICPD goals in national development agendas. Regional and subregional ownership will facilitate and reinforce the work of the UNFPA country teams in policy dialogue and in mobilizing support at the country level.

Co-location, alignment and coordination with other United Nations organizations in supporting country offices

69. The co-location of regional offices with other UNDG Executive Committee agencies in the same regional hubs, as well as the presence of the regional director in the region, will facilitate participation in the regional directors' team and in inter-agency dialogue. The interaction among the technical advisers of all UNDG Executive Committee agencies in the same hub will provide better support to countries. This will lead to improved synergies among United Nations organizations and ensure a coherent regional strategy, which includes ICPD-relevant content in support of countries in the region.

70. The experience of the South Africa regional directors' team illustrates that coordinated technical and programmatic support to United Nations country teams on the UNDAF process, joint programming and United Nations reform has resulted in more effective planning at the country level. This is due to the provision of timely and coordinated support and guidance to country offices; a more effective response to requests for additional capacity; increased joint programming opportunities; strengthened relationships with United Nations country teams; and the leveraging, rationalization and efficient use of resources.

71. A UNFPA regional presence will enhance cooperation with the UNDG Executive Committee agencies and enable UNFPA to be an active member in United Nations reform initiatives such as simplification and harmonization, the 'delivering as one' pilot programmes, joint offices and the sharing of common services.

Improved oversight and accountability

72. The integration of programmatic and technical functions under the responsibility of the same director will result in clearer operational linkages and improve accountability in programmatic and technical assistance to country offices. This arrangement will permit better monitoring and oversight of programme implementation and follow-up of audit findings, and therefore improve country office accountability for results.

73. The new organizational structure is similar to that of other United Nations organizations such as the United Nations World Food Programme, the United Nations Children's Fund, the International Labour Organization, the World Health Organization, and the Food and Agriculture Organization of the United Nations. The analysis of lessons learned from the experiences of these organizations has helped UNFPA to avoid potential problems such as the creation of additional layers of bureaucracy and the loss of organizational unity. The lessons also emphasized the importance of: (a) improved internal communication channels; (b) ensuring that the field is represented in internal decision-making processes and in discussions with Member States and relevant stakeholders in New York; and (c) finding new ways for UNFPA Executive Committee members to share information and improve collective decision-making.

74. The disadvantage of scenario 3 is that less financial resources will be available to fund technical advisers in regional and subregional offices. As a result, only minimal, core multidisciplinary technical capacity will be available at the regional level to build networks of regional institutions and expertise, and to provide technical support to countries. This organizational arrangement may be suitable in regions where adequate technical skills are available locally to complement the expertise available in UNFPA. However, it will be more challenging for regions where such capacity is not readily available, hence the need for interregional cooperation to provide adequate technical and programmatic support.

VII. FINANCIAL IMPLICATIONS

75. Scenario 3 will entail a preliminary, one-time cost of $27.9 million and estimated incremental recurring costs of $10 million per biennium. The exact recurring costs will depend on the location, premises, security costs, the final staffing structure and the timing of the move.

76. Although there will be savings at headquarters, the savings will be offset by: (a) the redeployment of resources to the country level; (b) the direct strengthening of country offices, including the addition of posts as well as the reclassification of posts; and (c) the costs associated with establishing and maintaining regional and subregional offices. Regional and subregional offices in the field will incur high security-related costs as well as information and communications technology costs. UNFPA will submit its biennial support budget, 2008-2009, to the Executive Board at its first regular session 2008.

77. UNFPA has identified three funding strategies to finance the estimated one-time costs of $27.9 million, without directly affecting programme resources during 2008 and 2009. These one-time costs constitute an investment towards more effective, efficient programme delivery at regional and country levels, which is an underlying objective of the review of the organizational structure of UNFPA. These

funding strategies include: (a) the use of $10 million from the carry-forward balance from previous years, to fund the programme portion of the one-time costs; (b) making available $11 million by freezing the operational reserve at $72.1 million until 1 January 2010, to partially fund the biennial support budget portion of the one-time costs; and (c) making use of additional contributions to fund the remaining amount of $6.9 million.

VIII. OVERSIGHT AND ACCOUNTABILITY

78. As indicated in the management results framework of the UNFPA strategic plan, 2008-2011 (DP/FPA/2007/17), and in the report to the Executive Board on UNFPA internal audit and oversight activities in 2006 (DP/FPA/2007/14), accountability is the cornerstone of UNFPA management. Under the envisioned organizational structure, UNFPA will continue to strengthen its oversight and accountability framework. In accordance with decision 2007/29, UNFPA will submit to the Executive Board, at its first regular session 2008, an oversight policy that defines the concepts of accountability and transparency as well as disclosure and confidentiality in the management of operational activities.

79. The accountability framework defines the respective roles of management and oversight in UNFPA. To be accountable, management must be responsible for measuring the efficiency, effectiveness and impact of UNFPA activities and for managing risks. Through internal audits and performance evaluations, the oversight function ensures the accuracy and reliability of operations and accountability mechanisms.

80. UNFPA has undertaken several management reviews; developed a strategic plan; and strengthened its country-level operations. These activities have encouraged UNFPA managers to develop a more systematic approach to measuring performance at individual and programmatic levels. In addition, UNFPA has taken steps to raise the quality assurance process to internationally accepted standards. The appointment of an independent Audit Advisory Committee, which presents an annual report to the Executive Board, has reinforced the independence of the oversight function in UNFPA. UNFPA is training all staff on accountability, including risk management and fraud prevention. The envisioned organizational structure will build on these efforts and further strengthen the UNFPA focus on accountability.

IX. OPERATIONALIZATION

81. Based on guidance received from the Executive Board, and after approval of the biennial support budget, 2008-2009, UNFPA will implement the organizational structure. UNFPA will adopt a phased approach for the implementation, in order to ensure a smooth transition and to minimize the disruption of its operations. UNFPA will move the geographical divisions to the regions one at a time, in order to benefit from lessons learned.

82. UNFPA has established a human resources task force to oversee all aspects of human resources in the new organizational structure. UNFPA will provide opportunities to highly skilled and high-performing staff, and is drafting terms of reference for all posts. UNFPA will organize a job-matching exercise to ensure that staff skills and experience are correctly matched to the posts. A job fair will take place following the job-matching exercise. UNFPA will offer separation packages, consistent with United Nations staff rules and regulations, for interested and affected staff members. UNFPA has also established a facilities management task force to oversee premises-related issues and to ensure the smooth transition of the geographical divisions to the regions.

X. RECOMMENDATION

83. The Executive Board may wish to formally approve the UNFPA organizational structure contained in the present report (DP/FPA/2007/16).